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Business Plus Initiative
USAID funded project implemented by Chemonics International

QUARTERLY PERFORMANCE REPORT (October – December 2013)

January 2013
Ulaanbaatar, Mongolia



“I am almost 60, and I have never seen service like this before.”

Mongolian citizens are already beginning to see the first results of their government’s ambitious business enabling environment reforms. Since embarking on a broad reform campaign in the fall of 2012, Mongolian reformers have already made significant steps towards improving public service delivery throughout Mongolia, demonstrating a clear commitment to improving the efficiency and transparency of governance at all levels.

For example, in December the Ulaanbaatar Municipality opened its first Citizen Service Center. The BPI project, which is supporting the municipality, captured the reaction of one Ulaanbaatar resident on the Center’s first day of operations: *“I am almost 60, and I have never seen service like this before. Public service was bureaucratic and I did not know where to go.”* Now with the new Center, citizens can access six different services quickly and in one location. See page seven for more details.

Project: Mongolia Business Plus Initiative Project (BPI)
Report Title: Quarterly Performance Report (October – December 2012)
Contract No. 438–C–11-00001
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ABBREVIATIONS AND ACRONYMS

BPI	Business Plus Initiative
CGA	Customs General Administration
DS	Development Solutions
EBRD	European Bank for Reconstruction and Development
EJC	Economic Journalists Club
ERC	Energy Regulatory Commission
GASI	General Authority for Special Inspection
GDT	General Department of Taxation
GOM	Government of Mongolia
IFC	International Finance Corporation
IT	Information Technology
KRA	Key Result Area
MCUD	Ministry of Construction and Urban Development
MMCI	Mongolian Management Consultant's Institute
MOF	Ministry of Finance
OCRS	Online Company Registration System
OSF	Open Society Forum
PCA	Post Clearance Audit
PMCG	Policy Management and Consulting Group
PIR	Project Intermediate Result
PMP	Project Monitoring Plan
QSDC	Quality Supplier Development Center
GASR	General Authority for State Registration
TPI	The Press Institute of Mongolia
TRS	Time and Release Study
UBEDN	Ulaanbaatar Electricity Distribution Network
USAID	United States Agency for International Development

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EXECUTIVE SUMMARY

The USAID-funded Mongolia Business Plus Initiative (BPI) project supports the Government of Mongolia's (GOM) reform efforts aimed at establishing an enabling business environment conducive to diversified economic growth and the creation of better economic opportunities for the population. The BPI project is ensuring the participation of Mongolia's private sector in a structured and productive dialogue with government so that business enabling environment reforms are adequately informed by the private sector and works with Mongolian private sector to address bottlenecks to country competitiveness.

During the last six months, Mongolia has made significant strides in its effort to improve its business enabling environment. Showing unprecedented leadership and commitment, the GOM has initiated, and in some cases completed, important reforms in six areas of the ten areas measured by the World Bank Doing Business Report. USAID's BPI project has been a close partner to the GOM in fostering these reforms since the outset of the process. The BPI project is also increasingly engaged in enhancing private sector competitiveness.

A. Significant Accomplishments

This section of the quarterly progress report describes key activities and significant accomplishments organized by project intermediate result (PIR).

PIR 1: Business enabling environment, governance, and country competitiveness policies and practices improved:

Throughout this reporting period the GOM has been working tirelessly with technical support from USAID's BPI project to improve the country's business enabling environment. Building on the relationships established with the GOM over the summer months, during the fall the BPI project focused on five reform areas and provided deep and varied support to the ministries and agencies involved in each reform. Tangible results of the government's reform efforts are already visible in several areas:

- **Trading Across Borders** – The Parliament approved amendments to the Customs Law of Mongolia which reduce the number of required documents to export and import regular shipments to two. For special goods, the required number of documents could be up to four. Prior to the amendments, ten documents were required to export, and eleven to import. The amendments also change the way border inspection is done, putting the Customs General Authority (CGA) in the lead position in order to foster trade facilitation. The BPI project's recommendations for reducing the number of documents and simplifying procedures were incorporated into the amendments.
- **Dealing with Construction Permits** – On 1 December 2012 the government passed Cabinet Resolution number 151. This resolution incorporates technical input provided by the BPI project and allows for the classification of construction projects according to risk, creating separate the roles for national and municipal governments, and authorizing the establishment of one-stop-shop environments to facilitate the process to apply for and receive construction permits.

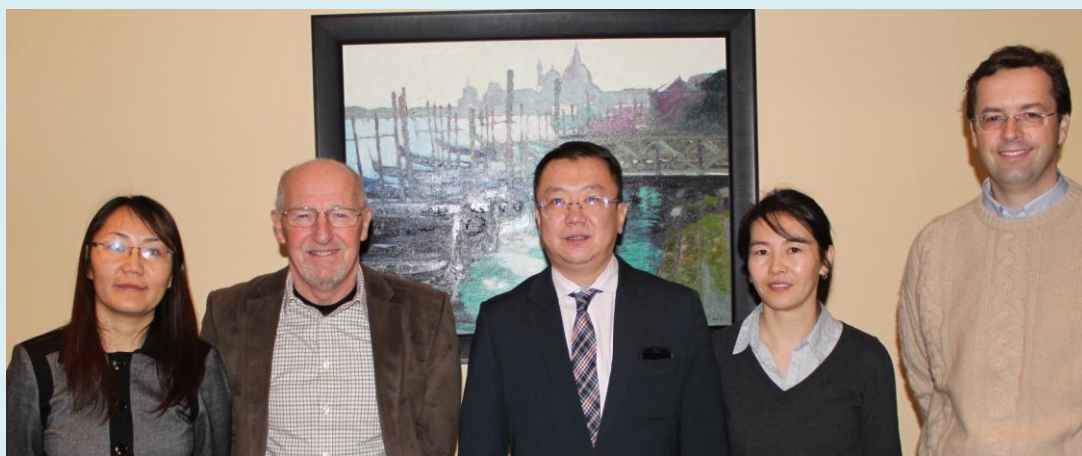
- **Getting Electricity** – Over the reporting quarter, the BPI project provided technical assistance to the working group to draft a new regulatory resolution to cut procedures to get new electricity connections from eight to five, and to cut the required time from 156 days to 78 days. The proposed regulatory changes will be submitted to the Energy Regulatory Commission (ERC) at the beginning of the next quarter.

As described in detail in section I of this report, the above reforms were shaped with considerable assistance from the BPI project. Advances in reform implementation are also noticeable in the areas of Paying Taxes and Starting a Business.

PIR 2: Private sector capacity and competitiveness strengthened:

This reporting period also marks a significant milestone in the project's work to increase the competitiveness of the private sector. Building on the results of the BPI project's successful pilot quality assurance training program, the project gathered private sector commitment from four companies to found the Quality Supplier Development Center (QSDC). The independent QSDC will be formally launched in the coming quarter and will provide best practice solutions and training to businesses and professionals to enable improved performance leading to increased revenues, profitability, and growth in employment among Mongolia's private sector. In order to register the QSDC as an independent Mongolian non-governmental organization, the BPI project asked and received commitment from important private sector players to serve as the QSDC board of directors. Representatives from XacBank, Mongolian Star Melchers, Wagner Asia, and the Business Council of Mongolia joined the BPI project to form the QSDC's first board of directors.

The primary objective of the QSDC is to increase the competitiveness of Mongolian companies, enabling firms to overcome barriers to increasing sales and meeting the growing buyer demand within the country. The QSDC works by providing quality management trainings to private sector participants, and by supporting specific, sustainable buyer-led transactions between buyers and Mongolian suppliers. In the coming quarter, the QSDC will be formally registered and will begin services offerings under both components.



Founding Members of the Board: On 11 December 2012 the founding QSDC board members met and approved the center's charter, beginning the process for official registration. From left to right the inception board members are: Z. Bulgan of XacBank; Steve Potter of Wagner Asia, I. Ser-Od of the Business Council of Mongolia, S. Uurtsaikh of the BPI project, and Laurenz Melchers of Mongolian Star Melchers.

PIR 3: National dialogue on business enabling environment, governance, and competitiveness strengthened:

The BPI project's strategic communications team continued to reach out to the public, helping educate the population about the government's reform plans and Mongolian competitiveness issues, as well as engaging the private sector in the project's competitiveness efforts through a series of events attended by more than 200 participants. Notably, in December the project worked with the Municipality of Ulaanbaatar to hold a public ribbon-cutting ceremony opening the city's first Citizen Service Center, offering a one-stop-shop environment for six different public services. The ribbon was cut by the US Ambassador to Mongolia, the acting head of USAID in Mongolia, and the Mayor of Ulaanbaatar in front of an audience of more than 30 journalists. At the event, the parties also signed a Memorandum of Understanding outlining how the BPI project in the coming months will continue to provide technical assistance to the municipality in support of the Citizen Service Center.



PIR 3: National dialogue on business enabling environment, governance, and competitiveness strengthened: Above, from left to right, the Mayor of Ulaanbaatar E. Bat-Uul, the US Ambassador to Mongolia Piper Anne Wind Campbell, and the acting USAID Representative to Mongolia Michael Foster sign a memorandum of understanding outlining the BPI project's continuing assistance to the Ulaanbaatar Municipality at a public event officially opening the center. Below, citizens access Municipal services.

B. Salient Programmatic Trends and Ongoing Performance Constraints

Per Section F.8 of the BPI project contract, this section discusses salient programmatic trends observed from major activities in process or recently completed. It also highlights unresolved or ongoing administrative constraints to the contractor's optimal performance.

Salient Programmatic Trends:

- Government entities continue to be interested in active collaboration with the project. Currently the BPI project is working closely with the Cabinet Secretariat, the Ministry of Construction and Urban Development (MCUD), the General Authority for State Registration (GASR), the General Department of Taxation (GDT), the CGA, the Ulaanbaatar Municipality, and the ERC.
- The private sector is also increasingly interested in meaningful collaborations with the BPI project. In order to establish the QSDC, the BPI project assembled a group of business leaders in Mongolia. Also this quarter, the BPI project accelerated supplier development work through a series of productive meetings with possible private sector clients and potential supply chain buyers. In the coming quarter the project intends to continue building private sector linkages.

Ongoing Performance Constraints:

- In December, the GOM replaced the head of the GDT and the head of the CGA and deputies. Both of these directors had been key project counterparts. In the coming quarter, the BPI project will be building relationships with both new agency heads and top-level officers. Building trust with the new authorities is a key element for ensuring the success of reforms to streamline procedures for paying taxes and trading across borders in the coming months.
- During this reporting period the recruitment and placement of qualified local staff members continued to be challenging due to the highly competitive market for qualified professionals in Mongolia and lengthy approval periods. However, this past quarter the project conducted two competitive recruits for long-term technical professionals to join the project in support of both PIR 1 and 2, and intends to finalize those placements in the coming quarter.

This quarterly progress report is organized as follows: Section I details work plan implementation for the quarter, organized by PIR; Section II describes project management and administration activities, current personnel, deployment of short-term expatriate technical assistance, as well as project and contract management actions for the next quarter; and Annex A describes current long-term project staff and details of short-term expatriate technical assignments, while Annex B includes a reporting for the quarter against the BPI project's draft performance monitoring plan.

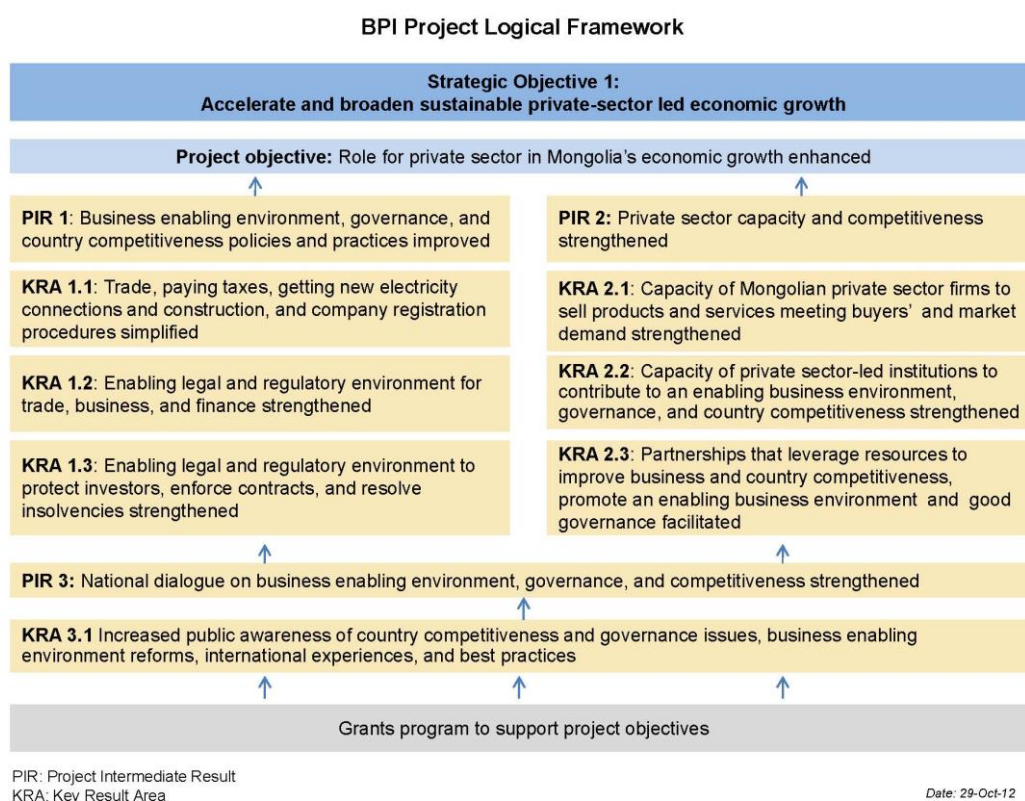
SECTION I: WORK PLAN IMPLEMENTATION

A. Introduction

This Section details the status of project implementation as of the end of the quarter. Below in Part B, we present the framework of the work plan for the three project components included in the submitted Year Two Annual Work Plan: business enabling environment, governance, and country competitiveness policies and practices improved; private sector capacity and competitiveness strengthened; and national dialogue on business enabling environment, governance, and competitiveness strengthened. Part C of this section contains detailed implementation status by project component. PIR 1 and 2 activities are described in the text, with selected PIR 3 cross-cutting national dialogue activities highlighted in text boxes in each section.

B. Work Plan Framework

This quarterly progress report is organized around the three PIRs with corresponding Key Result Areas (KRAs) proposed in the draft Year 2 Annual Work Plan:



C. Work plan implementation

CI. PIR 1: Business enabling environment, governance, and country competitiveness policies and practices improved

During this reporting period, the BPI project built on the foundation set during the July – September 2012 quarter. During those summer months, the project partnered with several private sector organizations in Mongolia to hold a series of Business Roundtables aimed at identifying key priority areas that, from the point of view of the private sector, would yield the highest impact in improving the country's business enabling environment. After the

priority areas were selected, the BPI project and a wide range of business community representatives prepared detailed actions plans. In order to further the discussion, the project also arranged a high-level visit by the former Georgian Minister of Finance and Minister of Economic Development, Aleksi Aleksishvili. Through a series of policy discussions involving more than 200 public and private sector officials and key Cabinet and Parliament officials, Mr. Aleksishvili shared Georgia's lessons learned in implementing an internationally recognized far-reaching reform effort.

The proposed reforms were formally presented by the participating private sector representatives to the Prime Minister and the Cabinet Secretary in September 2012. One month later, the Mongolian Government initiated wide reaching reforms in six business enabling areas including the five areas prioritized through the BPI Business Roundtables exercise. Over the next three months, the BPI project worked closely with the government in five of these areas. The status of the reform process as of the end of this reporting period is detailed below, organized by reform.

KRA 1.1: Trade, paying taxes, getting new electricity connections, construction, and company registration procedures simplified:

USAID's BPI project continued attending Reform Team meetings headed by Ch. Saikhanbileg, the Cabinet Secretariat Chairman and Minister throughout this reporting period. These meetings are intended to coordinate the work of various government agencies, ministries, the donor community, as well as the private sector, in designing and implementing fast-track reforms intended to improve Mongolia's business enabling environment and advance Mongolia's ranking in the World Bank's *Doing Business* surveys. Below this national level, the BPI project is working closely with five technical working groups, each tasked with achieving reforms in the near term.

Trading Across Borders: The GOM took a significant step towards reducing unnecessary burdens on traders during this reporting period. The Parliament approved amendments to the Customs Law of Mongolia which lower the number of required documents to export and import to two. For special goods the required number of documents could be up to four. Previously up to 11 documents were required. The amendments also change the way border inspection is done, putting CGA in the lead position in order to foster trade facilitation. The new amendments will be published in January 2013, and will enter into effect 10 days after publication. The time and expense for the private sector to import and export will be significantly reduced by these reforms.



Streamlining trade: Recent customs reforms will greatly reduce the time and cost required to trade in and out of Mongolia, increasing the country's competitiveness. Above, a truck crosses the border at Zamiin-Uud.

Specifically, the BPI project contributed to this reform by providing continuous technical assistance to CGA and the Trading Across Borders working group over the last year. The project provided specialized assistance to support the establishment of an effective risk management system at CGA. The project also analyzed the cost of unnecessary customs procedures in a monetization report entitled *Preliminary estimates of the staggering costs of inefficient trade regulation in Mongolia.* This document persuasively

showed the need to reduce the number of required documents for trade and influenced working group members this quarter. Also this quarter, the BPI project conducted a Time Release Study (TRS) which provided evidence-based measures for each major component of the trade clearance process and advanced the implementation of a risk management system. Both activities are described in more detail in Key Result Area (KRA) 1.2 below.

Dealing with Construction Permits: The working group dealing with construction permits was very active during this reporting quarter, culminating with the adoption on December 1, 2012 of Cabinet Resolution number no. 151. This Cabinet Resolution serves as a bridge regulatory framework in the area of dealing with construction permits, until a new Construction Code is developed by the MCUD and approved at the Parliament. The Government Resolution for construction includes:

1. The creation of three risk-based categories for construction projects. Construction permitting for major, complex construction projects such as bridges, airports and buildings with more than 16 floors will stay under the jurisdiction of the MCUD; while construction permitting for medium complexity buildings and low-risk small construction projects will now fall under the jurisdiction of municipalities.
2. Streamlining of the construction permitting process.
3. Establishment of procedures to process construction permits at municipal one-stop-shops. Subsequently, the Ulaanbaatar Municipality incorporated construction permitting services into its new 'Citizen Service Center' which opened its doors at the end of December.

With support from the BPI project, the Ulaanbaatar Municipality and the MCUD developed these reforms to limit unauthorized construction projects and create a consistent set of quality standards, enabling more effective project design reviews and inspections. These reforms also promise to drastically reduce the time and procedures required for construction firms to get started on most projects in the country, allowing Mongolia's building sector to expand in a controlled, transparent, and safe way.

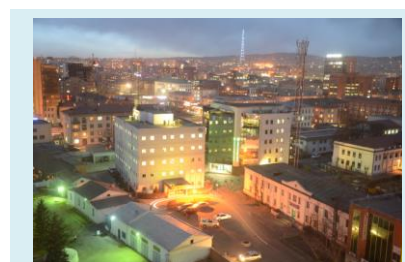
Specifically, the project provided a construction permit expert who worked with both the MCUD and the Municipality working groups and provided specialized support for the White Paper that is serving as foundation of the new Construction Code. USAID's BPI project provided on-going assistance to both working groups to foster discussions on streamlining of the construction permitting process, including organizing video conferences between GOM representatives and working group members, and the Georgians who crafted that country's construction reform. To incorporate other international best practices in the reform, the project strengthened the MCUD's basic research capacity. Finally, the BPI project organized an



PIR 3: National dialogue on business enabling environment, governance, and competitiveness strengthened: In October, the BPI project organized two video conferences bringing together officials from the MCUD, Ulaanbaatar Municipality, and other agencies involved in construction permits, to discuss 'live' best practices and lessons learned with Georgians involved in that country's successful construction permitting reforms. Above, Mongolian participants discuss with Georgian counterparts who are shown in the screen behind.

observational study tour to Georgia attended by members of both working groups and the Mayor of Ulaanbaatar.

Getting Electricity: Over the last few months the BPI project has been working with the Getting Electricity working group to find ways to streamline the current procedures to reduce the time and costs required for firms to get new electricity connections. As a result, reformed connection procedures to the Ulaanbaatar Electricity Distribution Network (UBEDN) were submitted to the ERC for review and approval. The key elements of the proposal include:



Powering a City: Ulaanbaatar all lit up, a view from the BPI office. Photo by Tsolmon N.

1. Online access to information on technical conditions for new connection for areas proposed by individuals and companies wanting to be connected.
2. Creation of an online question and answer system allowing for prompt responses by UBEDN with respect to technical conditions along with future perspectives of connecting particular areas.
3. Cost sharing and other financial conditions for new connections elaborated.
4. Amend the rules and procedures adopted by municipalities and energy authorities regarding excavation permits, approving designs, and initial inspection.

Taken together, this reform package will facilitate the reduction of the number of processes to get a new electricity connection for private companies from eight to five; and a reduction in the number of days required from 156 to 78.

The BPI project provided continual technical assistance in developing this reform package. Specifically, the project worked closely with the Ministry of Energy and the working group from the beginning of the reform process. BPI long-term technical staff provided ongoing assistance to the working group to foster discussions on streamlining the process to obtain new electricity connections. BPI project staff also provided specialized technical comments on the draft working group proposal, feedback which was incorporated into the final proposal.

Starting a Business: During this reporting period the Company Registration working group, with technical assistance from the BPI project, made significant progress in drafting a proposal to reform the process for registering and incorporating a company in Mongolia.



PIR 3: National dialogue on business enabling environment, governance, and competitiveness strengthened: In November, members of the Company Registration working group gathered at BPI's office for a video conference with Georgian counterparts to discuss lessons learned from that country experience.

The new regulatory framework, which will be submitted for Cabinet approval during the next quarter, will significantly streamline the current procedures for company registration. Specifically, the draft reforms will reduce the number of procedures required from eight to two, through the introduction of an online company registration system (OCRS) and a single window environment. The reform will also lower the time required to register a business from 12 days to five.

The BPI project began supported the GASR working group at the beginning of this quarter. USAID's project provided on-going assistance to the working group to foster discussions on streamlining of the process to register a business and provided feedback on the working group proposal to streamline company registration process. In addition, the BPI project collaborated with the working group to develop a scope of work for an international firm to design and install an OCRS in Mongolia and engaged members of the working group in evaluating proposals. In the coming quarter, the BPI project anticipates receiving approval from USAID to finance the OCRS development, which will be completed over the next five months.

Paying Taxes: During this quarter, the Paying Taxes working group, which includes the Ministry of Finance (MOF) and GDT, submitted a reform proposal to reduce the number of tax payments to the Cabinet Secretariat. The proposed changes, together with the widening of the e-filing system, will significantly reduce the cost and time required for the private sector to comply with tax requirements. Specifically:

1. The proposal, once accepted, will reduce the number of tax payments from 41 to 14. It is expected that this new policy will be approved by the Cabinet in the coming quarter.
2. Regarding e-filing, GDT has made the decision that those firms utilizing the e-filing system will no longer be required to also submit paper filing.

USAID's BPI project worked closely with GDT and MOF to guide the above reforms. First, a team of BPI consultants, including an international IT expert and two Mongolian IT experts, concluded an assignment begun last quarter to work with GDT. This team produced a technical report on the current IT architecture of GDT, the current e-filing platform, and detailed key recommendations on how to implement an improved e-filing system that incorporates e-signature cyber security measures as well as other technical requirements. During this quarter the project also facilitated an observational study tour to Georgia for representatives from GDT and MOF, ensuring that both groups could learn firsthand from the Georgian reform experience in the areas of e-filing and the reduction of the number of taxes. The subsequent reforms described above were directly informed from these two pieces of BPI project assistance.



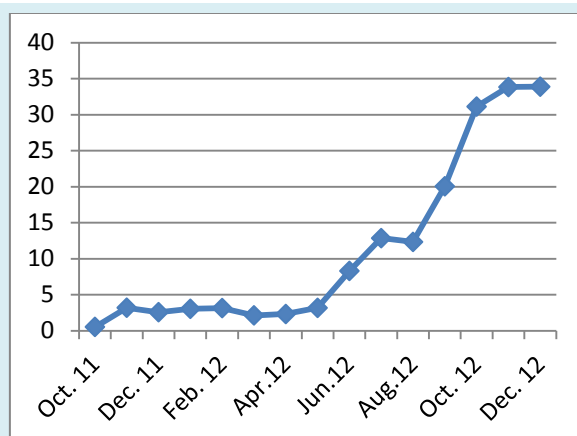
Observational Study Tours: During this reporting period, the BPI project sponsored two delegations to Tbilisi, Georgia. The first, above right, consisted of a group from GDT and MOF working on tax issues. The second group comprised of representatives from MCUD and the Ulaanbaatar Municipality, including the Mayor, work on construction issues and are shown on the left. Each group of Mongolian representatives gained insights into the reforms that Georgia made, and were provided with opportunities to discuss technical issues related to each reform with the Georgians who designed that country's reforms, while also having dedicated time to think-through and openly discuss some reform challenges specific to Mongolia.

KRA 1.2: Enabling legal and regulatory environment for trade, business, and finance strengthened

In addition to the working group level reforms, this quarterly reporting period the BPI project continued providing on-going technical assistance to streamline trade by advancing CGA's risk management system and conducting a Time and Release Study.

Risk Management. CGA continues to make progress in the implementation of its risk management system with the support of BPI. Since its inception in October 2011 to November 2012, the system has assigned 11,813 green stamps and 21,201 yellow stamps. By the end of the quarter, the General Director reported to the Government Reform working group that more than 30 percent of cargos are already being cleared through the green and yellow channels. Both channels do not require physical inspections. This represents a significant increase from the 8 percent level as of June 2012. In the prior reporting period, the BPI project's risk management expert Jorge Montoya provided two technical reports entitled: (1) Maturity in Risk Management in Mongolian Customs and (2) Rules for Selectivity Component (aimed at integrating General Authority for Special Inspection's (GASI) risk management criteria into the Customs Automated Information System). In this quarter, the agency stakeholders continued adopting key recommendations from Mr. Montoya's reports. These recommendations continue to foster further development of the customs risk management system.

One aspect identified by the BPI expert was the need for CGA to improve their focus on the Post Clearance Audit (PCA) process. Moving forward, CGA recognizes the need to continue to develop analytical skills to be able to first conduct PCA based on the customs declarations and its annexes, and then based on comparing the customs declaration to other sources of information such as company's tax declaration. At the end of the reporting period, CGA upper management confirmed to BPI their desire to both continue to deepening risk management and to move in the direction to develop an effective PCA department within the CGA institutional framework. BPI can continue its assistance to the GOM in facilitating a risk based joint inspection by GASI and CGA at border ports to support the recent reforms on integrated border control.



Phenomenal growth in Risk Management: The above chart depicts the percentage of shipments passing through the green and yellow channel as a result of the development of CGA's risk management system, with BPI-support. Currently more than 30% of shipments are crossing borders without physical inspections.

Source: CGA data

Time and Release Study: This quarter the BPI project conducted a detailed Time and Release Study (TRS) of selected ports in Mongolia. The TRS measured the process of trading across borders and CGA is continuing to analyze the data gathered. Interim results are already being used to streamline Mongolia's inefficient trade regime. Additionally the TRS provides baselines that will be used by CGA and GASI to measure the results of their efforts to improve trade facilitation. To conduct the TRS, the BPI project provided a short-term customs process expert who, along with long-term BPI project staff, trained,



Collecting Data: Above, the BPI project's TRS expert poses with a group of counterpart analysts during the TRS.

coordinated, and supervised surveyors and data collection teams in selected customs clearance process ports. The team conducted data collection at four terminals in Ulaanbaatar, five border port terminals, and one inland depot (Choir). This process lasted nine days in each port. Once the data was collected, the BPI project assembled a team of five dedicated TRS analysts from CGA and trained them to analyze the data. To date, the team of TRS analysts and the BPI project are continuing to sift through the data and intend to finalize the TRS summary report early this coming quarter.

KRA 1.3: Enabling legal and regulatory environment to protect investors, enforce contracts, and resolve insolvencies strengthened

The BPI project continued to support the development of a strong culture of corporate governance in Mongolia. Corporate governance is important as around the world, investors are increasingly evaluating corporate governance when making investment decisions. Good corporate governance also helps companies gain increased access to capital and credit markets. In fact, corporate governance ratings are now an important element in calculating credit ratings.

Corporate Governance Diagnostic Toolkit: During this reporting period the BPI project finished the draft Corporate Governance Diagnostic Toolkit (Toolkit) and identified a Mongolian IT firm to design desktop and web-based applications for the Toolkit. In the coming quarter the BPI project and the IT firm will create a final Toolkit package to share with Mongolian companies and other stakeholders interested in corporate governance. The Toolkit was created as a self-assessment tool for Mongolian corporate leaders to help them identify and diagnose important corporate governance weaknesses in their companies. It will also provide users with a corporate governance rating that can be used as a benchmark for the company's level of compliance with regulatory and legislative frameworks. The Toolkit is composed of a brief introduction and five 100-question Corporate Governance Surveys, one for each of five types of companies: (i) listed companies, (ii) family-owned LLC companies, (iii) banking institutions, (iv) insurance companies, and (v) state-owned enterprises.



PIR 3: National dialogue on business enabling environment, governance, and competitiveness strengthened: To raise awareness about this new Toolkit, in November the BPI project hosted an event with the Press Institute and the Economic Journalists Club. The panel discussion and question and answer session promoted dialogue about corporate governance between the business community, the public, and the Financial Regulatory Commission to increase awareness about the benefits of corporate governance. Above, members of the Economic Journalists Club take notes.

C2. PIR 2: Private sector capacity and competitiveness strengthened

During this reporting period the BPI project focused on building private sector support for an independent Quality Supplier Development Center (QSDC), identifying buyers and suppliers in the Mongolian marketplace who could benefit from project assistance. The project also delivered a Lead Auditor training and trained business consultants on proposal development using toolkit materials developed by the project in the spring of 2012.

KRA 2.1: Capacity of Mongolian private sector firms to sell products and services meeting buyers' demand strengthened



A Trainee is Honored at the Awards Ceremony: From left to right, USAID Representative Francis Donovan, successful trainee B. Nomin-Erdene, and BPI project Chief of Party Efrain Laureano. B. Nomin-Erdene, a project manager at SBS LLC, explained the importance of this training: *"With newly passed environmental laws and regulations, the government is requiring that companies exploiting or using environmental resources complete audits every two years. Before this training, our company lacked the capacity to follow this audit regulation."*

Lead Audit Training: To support Mongolian companies to maintain higher standards, the BPI project organized an advanced 5-day Lead Auditor training series in October designed to give participants the skills required to assess organizations' internal systems in one of the following areas: quality management, food safety, and environmental management. Thirty one business people from Ulaanbaatar took the training course, and the results were impressive. Eighty five percent of trainees successfully completed the rigorous training and examination series. During an awards ceremony held in December, the trainees were presented with certificates issued by an internationally accredited training body.

In the coming months, the BPI project will continue supporting similar trainings through the QSDC to build a cadre of quality assurance auditing and quality management professionals in Mongolia. By populating the private sector with such professionals, Mongolian businesses will be able to take advantage of proven and effective global best practices affiliated with quality management, a step that will enhance

their competitiveness in the marketplace while also ensuring they meet Mongolian government standards and regulations.

KRA 2.2: Capacity of private sector-led institutions to contribute to an enabling business environment, governance, and country competitiveness strengthened

Launching the QSDC: During this reporting period, the BPI project built the support required to launch the QSDC. This membership based non-governmental organization is co-founded by private sector representatives. The primary objective of the QSDC is to increase the competitiveness of Mongolian companies, enabling firms to overcome barriers to increasing sales and meeting the growing buyer demand within the country. The BPI project is expected to receive the official registration certificate for the QSDC in the coming quarter. Through the end of the project period of performance, the BPI team will closely collaborate with the QSDC to provide quality management trainings, and by supporting specific, sustainable buyer-led transactions between buyers and Mongolian suppliers. In order to ensure a quick start-up to QSDC activities in the coming quarter, during this reporting period the BPI project brought a short-term expert to develop

materials for the supplier development component, including template business plans and a manual explaining the entire methodology. As described above, the project also continued organizing quality management training programs.

KRA 2.3: Partnerships that leverage resources to improve business and country competitiveness, promote an enabling business environment and good governance facilitated

Strengthening Mongolian Business Consultants:

In November, BPI's project development and strategic communications manager delivered a workshop on proposal writing, costing, and contract negotiation attended by 22 business consultants.

This workshop was a part of the Core Consultancy Essentials training for Mongolian consultants organized by the Mongolian Management and Consulting Institute (MMCI) and sponsored by the European Bank for Reconstruction and Development (EBRD). The training was a continuation of assistance began in May of 2012, when the BPI project created a toolkit on proposal development. The BPI project later shared this tool with MMCI and EBRD, the result of which was an invitation to instruct a session based on toolkit materials as part of the Core Consultancy Essentials training. By focusing on all stages of the proposal process, the workshop demonstrated how well conceived proposals are the fundamental first stage of successful projects. The proposal development training in November was well received, so well in fact that EBRD and MMCI have asked the BPI project to provide a longer training on proposal development for an audience of senior consultants in January 2013.



Building the Capacity of Business Consultants: Trainees listen during the November proposal development workshop.

C3. Component 3: National dialogue on business enabling environment, governance, and competitiveness strengthened

This component is responsive to PIR 3, National dialogue on business enabling environment, governance, and competitiveness strengthened. Per the BPI logical framework, there is only one KRA under this PIR, KRA 3.1: Increased public awareness of country competitiveness and governance issues, business enabling environment reforms, international experiences, and best practices. PIR 3 and KRA 3.1 are cross-cutting, and some of the BPI activities within this component are discussed in text boxes in the above sections, notably the public unveiling of Ulaanbaatar's first Citizen Service Center, and additional activities are described below.

KRA 3.1: Increased public awareness of country competitiveness and governance issues, business enabling environment reforms, international experiences, and best practices

The BPI project continued to actively collaborate with subcontract partner, the Press Institute (TPI) of Mongolia and their Economic Journalists Club (EJC). During this reporting period, the BPI project held three events for EJC members: a roundtable on corporate governance discussed under KRA 1.3 above and two press conferences described in detail in this section. BPI project staff member also assisted the EJC to organize three additional events on economic topics sponsored by financial institutions and the Asian Development Bank. The broadening of EJC sponsors is an important milestone as EJC develops into a more vibrant and important voice in Mongolia.

BizGuide.mn: During the last quarterly reporting period, BPI grantee Development Solutions finalized an interactive web portal: www.bizguide.mn. BizGuide was developed to give Mongolian business people access to the tools and information they need to create more sustainable and dynamic businesses. In order to increase public awareness about BizGuide, the BPI project worked with TPI and the EJC to organize a roundtable discussion. At the November event, representatives from Development Solutions described the need for these services and how BizGuide was designed to help the average Mongolian business owner. Development Solutions also shared the impact of BizGuide to date, with more than 500 users registered since August, as well as their experiences and perspective of common challenges – and opportunities for growth – facing small business owners in Mongolia today. Following this event, EJC members covered this event in eight different TV reports and newspaper and online articles.



Getting the word out: A member of the EJC asks a question during the November press event about BizGuide.

Why is Mongolia following Georgia's Example?: Following the return of the two BPI-sponsored study tour delegations from Tbilisi, the project organized a press conference. In December, delegates from MOF, GDT, MCUD, and the Ulaanbaatar Municipality, including the Mayor of Ulaanbaatar, reported on their observations, shared the knowledge



Jockeying for position: Top, members of the press cover the December study tour event, while bottom Ulaanbaatar Mayor E. Bat-Uul answers questions.

they gained and gave updates to EJC members and other the press on the status of reform working groups. While each panelist presented from their own perspective, all agreed that by studying Georgia's example, Mongolian reformers can compare the current business environment in Mongolia to that of a successfully transformed, yet still developing, economic power of the Caucasus region. Members covered this event in 13 different TV reports, radio broadcasts, and newspaper and online articles.

D. BPI Activities by the Numbers

In October, USAID's BPI project drafted and submitted a revised performance monitoring plan, to correspond to both the revised direction of the project, and the submitted Year 2 Annual Work Plan. Annex B to this quarterly performance report includes the submitted indicators and targets presented in the revised performance monitoring plan, and reports against targets for this quarter.

Please note, during this reporting period we slightly adjusted the PMP to: 1) clarify indicator 1.2.1.c *Percentage of "green channel" shipments* to include all green and yellow channel shipments as both do not require physical cargo inspections – the measurement of which reflects the intent of this trade facilitation indicator; 2) remove reference to

KRA 2.3 and its indicator 2.3.1 regarding the establishment of an independent Quality Management Center of Excellence and revising indicator 2.1.2 to reflect the establishment of the QSDC which combines the former 2.1.2 and 2.3.1 indicators. This change reflects agreement made with USAID during this reporting period.

E. Next Steps for the Coming Quarter

Major activities or key actions projected for the next quarters, by project component, are detailed below.

PIR 1: Business enabling environment, governance, and country competitiveness policies and practices improved

In the next quarter the BPI project will continue working closely with government reform working groups at the ministry, agency, and department levels, as well as with the Cabinet Secretariat's national level Reform Team. Below are anticipated and/or potential tasks for the coming quarter. In some cases, the BPI project's counterparts have requested the project's assistance, notably in the area of paying taxes, but the team's ability to respond to these initiatives will depend on the availability of resources and the trade-offs with other priorities between 2013 through 2014. As per standard practice, the BPI project will discuss with USAID all such requests for assistance prior to initiating new assistance.

Trading Across Borders: At the end of this reporting period the director and deputy directors of CGA were replaced. Therefore the BPI project's first task in January is to establish a relationship with the new CGA management team to ensure that all future assistance remains in line with CGA priorities, and has the required agency support. In the coming months, the BPI project is planning to provide specialized technical assistance to CGA to strengthen its PCA department, allowing for deepening of the risk management system, which will result in a higher proportion of cargos to go through the "green" and "yellow" channels.

Additionally, the Cabinet Secretariat has requested that USAID's BPI project collaborate to the extent possible with the International Finance Corporation (IFC) to expand risk management to include GASI activities at the borders. The government has already formed a working group with IFC to focus on this issue and the BPI project was invited to join the working group, given the work the project has already done on risk management with CGA and in identifying avenues for integrating GASI's work into one system for border control. In the coming quarter, the BPI project will explore this avenue of potential assistance.

Dealing with Construction Permits: The BPI intends to remain engaged with the MCUD and the Ulaanbaatar Municipality in the next quarter. The BPI project will continue to help the MCUD working group to develop the new Construction Code through the provision of short-term technical assistance to review and provide input into drafts. Project assistance will also focus on ensuring that best international practices and international safety standards are included in the new Code.

At the end of this reporting period, the US Ambassador and the acting USAID Representative to Mongolia signed a memorandum of understanding with the Ulaanbaatar Municipality which outlines the BPI project's commitment to continuing assistance. This agreement was reached after the Ulaanbaatar Municipality requested further assistance from USAID's BPI project in the following areas: 1) legal framework and interagency

agreements required to ensure a streamlined construction permitting process, 2) organization and operations of the new Citizen Service Center, 3) training on customer services both for central Citizen Services Center and other branches throughout Ulaanbaatar, and 4) advice on software and IT solutions needed to ensure successful implementation of the Citizen Service Center.

Getting Electricity and Starting a Business: During the upcoming quarter the BPI project will continue to support the Getting Electricity working group by providing technical input into the drafting of implementing regulations for the new procedures proposed this quarter. To support a streamlined process for starting a business, the BPI project anticipates USAID consent to subcontract with the competitively selected international vendor, Alpha XP, to design and build a state-of-the-art OCS. Once consent is received, the BPI project will begin immediately to facilitate the Alpha XP's work with GASR. Based on the Alpha XP's proposal, the BPI project anticipates this work will take three months. Simultaneously with the OCS design, the project will support the GASR working group to develop legislative amendments to formalize the streamlined procedures to register a company and submit these amendments to Parliament.

Paying Taxes: At the end of this reporting period the director of GDT was replaced. Therefore the BPI project's first task in January is to establish a relationship with the new GDT management team to ensure that all future assistance remains in line with GDT priorities, and has the required department support. In the meantime however, the BPI project and GDT have identified multiple avenues for further assistance:

Data Exchange: GDT has requested assistance from BPI in helping the department to connect four key agencies/authorities in real time: the MOF – to obtain data on government procurement; CGA – to obtain data on trade, GASR – to obtain data from civil, company, and property registries; and the vehicle registry at transportation agency. Allowing for data exchange with these organizations will significantly improve GDT's ability to broaden the tax base by better identifying non-filers and under-reporters, which in turn will provide a higher level of comfort for the government to continue to simplify paying taxes.

Data analysis and data mining: In order to fully take advantage of data exchange with other agencies/authorities, GDT needs to continue to improve its ability to conduct data analysis and data mining. In that regard, specialized technical assistance based on international best practices is needed to further develop GDT's analytical capacity in this field.

Risk management: In order to continue to facilitate paying taxes in Mongolia, GDT needs to move to a risk-based audit system. Accordingly, a robust risk management system, equivalent to that of customs, should be developed at GDT over the next year.

As noted above, the team's ability to respond to these initiatives will depend on the availability of resources and the trade-offs with other priorities between 2013 through 2014. Therefore the BPI project intends to comprehensively discuss the details of each of these potential avenues of assistance with the new GDT management and USAID before commencing new activities.

Corporate governance toolkit: In the coming quarter, the BPI project will work with a competitively-selected software company to design desktop and web-based applications

for the corporate governance diagnostic toolkit. The project expects to finalize and disseminate the Toolkit in the coming quarter.

PIR 2: Private sector capacity and competitiveness strengthened

The BPI project's main focus under this PIR will be initiating QSDC activities under both the quality assurance training component and the supplier development component. Additionally, the project is planning to continue providing training on proposal development to business consultants.

QSDC Activities: The official registration of the QSDC is expected in the next quarter. During the coming months the BPI project anticipates organizing the QSDC's first training offerings, specifically Food Safety trainings to be provided by BPI's short-term quality assurance advisor. Under this component, the BPI team will also organize curricula for trainings in other quality assurance areas, including training-of-trainers courses. In terms of supplier development, the BPI project has already identified a potential transaction, co-funding HACCP (hazard analysis and critical control points) trainings for an Ulaanbaatar area meat processing facility. During the coming quarter, the project will further investigate this opportunity, as well as continuing to work with buyers and local suppliers throughout the Ulaanbaatar area and the north of Mongolia to identify additional transactions.



Proposal Development Toolkit Trainings: The BPI project is planning to continue collaborating with EBRD and MMCI to give additional proposal development trainings using USAID's proposal development toolkit. Following the training in November of 2012, MMCI and EBRD asked the BPI project to provide more in-depth training on proposal development for an audience of senior consultants in January 2013. For the January training, EBRD is planning to again provide translation services and support to MMCI, which will be responsible for inviting trainees and all the logistics.

PIR 3: National dialogue on business enabling environment, governance, and competitiveness strengthened

Continued Cross-Cutting Engagement: In the coming quarter, the activities of PIR 3 will continue to communicate the work being done in PIR 1 and PIR 2 to the general public and stakeholders, including government, private sector, and others. Specifically the project's strategic communications team will focus on publicizing through roundtables, debates, and press conferences the business enabling environment reforms that were approved this quarter. For example, the strategic communications team intends to cover the reduction of documents required for trade, and the proposed reduction in the frequency of tax payments. The strategic communications team will also support the government of Mongolia in communicating the legal and regulatory changes to the World Bank's *Doing Business* survey team and contributors to help ensure these important reforms are captured for the 2014 survey.

SECTION II: PROJECT MANAGEMENT AND ADMINISTRATION

This section summarizes significant project management and administration activities, problems encountered and actions taken to solve them, and main activities scheduled for completion during the next quarter. Annex A contains a list of long-term local project staff and short-term expatriate and third-country national technical assistance assignments.

A. Significant project management and administration activities

During this quarterly reporting period, BPI project management and administration activities continued to support the delivery of programmatic and technical assistance across the three PIRs areas. Over the last quarter, the efforts of the project management team continued to focus on ensuring the BPI project has the right mix of staff to meet the needs of the BPI project's refocused activities.

Key project management and administration actions and activities completed include:

- This quarter two long-term professional personnel joined the project through the Open Society Forum (OSF) and TPI of Mongolia, the project's key Mongolian subcontract partners.
- Recruitment began for two additional long-term professional personnel; a business enabling environment specialist to support PIR 1 and a quality assurance manager to support PIR 2. During the coming quarter the BPI project intends to staff both positions.
- In early November, the project an approval request for a short-term local professional to assist PIR 3 through the TPI subcontract. While COR concurrence was received in late November, CO rate approval continues to be pending.
- In October the BPI projected submitted a revised Year 2 Annual Work Plan incorporating feedback from USAID and submitted a revised Performance Monitoring Plan that aligns targets and indicators with the submitted Year 2 Annual Work Plan.
- The administrative team submitted the project's Annual Reporting of Taxation on U.S. Foreign Assistance for FY 2012.
- Ensuring that all short-term assignments went smoothly.
- At the end of this reporting period USAID sent Chemonics a draft revision to the prime contract scope of work. During the coming quarter, Chemonics and USAID will negotiate a contract modification accordingly.

B. Personnel

B1. Long-term expatriate personnel

During this reporting period, the project made one change to expatriate personnel: Kyle Gunther resigned from his position as Senior Private Sector Advisor in December 2012. The BPI project is actively recruiting for a replacement Senior Private Sector Advisor and anticipates filling the position in the coming reporting period.

B2. Long-term local personnel

Project management efforts during this quarter continued to focus on recruiting competent local personnel at competitive rates, in accordance with the Mission Local Compensation Plan. Exhibit A-1 in Annex A provides a summary status of local staff as of the end of the reporting period.

The following changes were made in local long-term personnel:

- Zul Sabikhan was promoted to the Operations Manager as of November 26, 2012.
- Khangal Davaa, the Financial Sector Specialist took maternity leave starting October 1, 2012.
- OSF subcontractor employee Khash-Erdene Battsengel joined the project on 19 November 2012 as a Business Development Advisor.
- TPI subcontractor employee Ariuntuya Ayurzana joined the project on 5 October as the Public Private Dialogue Specialist.

B3. Deployment of short-term technical assistance

Deployment of short-term expatriate assistance proceeded according to the Submitted Year 2 Annual Work Plan schedule during the quarter. Nine project-related technical assignments were completed or initiated during the quarter by a total of eight (8) consultants. Exhibit A-2 in Annex A provides details about the purpose of these assignments as well as dates of arrival and departure.

C. Status of subcontracts

During this reporting period, the BPI project continued to work with consortium partners, while also engaging a few new Mongolian service providers to support the project's initiatives. As described above, both OSF and TPI began providing long-term professional personnel to the project. Additionally, during the reporting period the BPI project issued and evaluated responses from four Requests for Proposals to competitively identify subcontractors to assist project activities under PIR 1 and 2. Specific updates include:

- In October the BPI project developed and released a request for pre-solicitation proposals to gauge the interest and capacity of firms providing business advisory services in supporting the project's supplier development activities. Two bidders responded, and Development Solutions was identified as the only interested firm capable of providing the required technical assistance. In the coming quarter, the BPI project will execute an indefinite quantity subcontract valued below the simplified acquisitions threshold to Development Solutions.
- In October the BPI project evaluated proposals received from law firms interested in assisting the project's efforts under PIR 1. Economic Legal and Consultancy LLC was selected as offering the best value, and in November the BPI project issued them an indefinite quantity subcontract valued below the simplified acquisitions threshold. The project also issued the first task order under this mechanism to assist the BPI team in registering the QSDC.

- In mid-November, the BPI project team developed and released an international solicitation for proposals to create an OCRS in Mongolia. After evaluating all offers received, in December the project team selected Alpha XP. This coming quarter, the project will request contracting officer consent to subcontract with Alpha XP as the value of the subcontract exceeds the threshold.
- In December, the BPI project opened a competitive procurement for a software development company to create desktop and web-based applications for the Corporate Governance Diagnostic Toolkit. After evaluating the four bids received, the BPI project selected Infinite Solutions LLC to conduct the work. The project will execute a fixed price subcontract, valued below the simplified acquisitions threshold with the company in the coming quarter.
- Under the infinite quantity subcontract with Orchard Consulting LLC signed in the previous quarter the project issued three task orders between October and December 2012.
 - Under sub-task order no. 01 Orchard assisted the BPI project's short-term expatriate IT consultant to assist the GDT in evaluating options for using technology to simplify paying taxes.
 - Under sub-task order no. 02 Orchard provided a technical translation of the expatriate IT consultant's final deliverables.
 - Under sub-task order no. 03 Orchard assisted the BPI project and the GASR to develop a scope of work for the creation of an OCRS in Mongolia.
- Under the infinite quantity subcontract with Georgia-based Policy Management Consulting Group (PMCG) which was signed in the previous quarter, the project issued three additional sub-task orders between October and December 2012:
 - Under sub-task order no. 02 (no. 01 was issued in the previous reporting period), PMCG assisted the project to conduct video conferences bringing together Mongolian working group members with Georgia's recent reform architects.
 - Under sub-task order no. 03, PMCG provided a short-term consultant to work with the Mongolian construction reform working groups to incorporate international best practices and simplifications to procedures.
 - Under sub-task order no. 04, PMCG facilitated an observational study tour to Georgia of a group of construction reform working group members.
- This quarter the BPI project signed a small fixed price subcontract with Human Fortis Consulting to facilitate the project's staff retreat in October.
- Finally the project issued a small stand-alone firm fixed price subcontract to Development Solutions to provide logistical support during a project trip to Erdenet and Darkhan in late October 2012.

D. Project and contract management actions expected for the next quarter

Project and contract management actions expected to be completed during the next quarter include the following:

- Negotiate a prime contract modification based on a revised scope of work and period of performance for the project.
- Initiate consortium subcontract modifications to the TPI and OSF subcontracts to align both with the modification to the prime contract.
- Finalize the recruitment of candidates for expatriate and Mongolian long-term positions, and submit the required approval requests to USAID.
- Field short-term local and expatriate assistance to complete technical assignments in accordance with the submitted Year 2 Annual Work Plan.

ANNEX A: Long-term local personnel and expatriate short-term assignments

Exhibit A-1: Local long-term project staff as of the end of October – December 2012 quarter			
Employee name	Position	Start date	End date
Uurtsaikh Sangi	Deputy chief of party	Jun 20, 2011	
Altanzaya Baldan	Accountant	Jun 20, 2011	
Zul Sabikhan	Operations Manager	Jun 20, 2011	
Khaliun Yura	M&E specialist	Jul 27, 2011	
Tsolmon Naidandorj	Video and graphics coordinator	Jul 28, 2011	
Oyuntsetseg Gombosuren	Editor/Publications specialist	Jul 28, 2011	
Dulguun Mijiddorj	Training coordinator	Aug 22, 2011	
Batmunkh Perlii	Driver/Messenger	Aug 22, 2011	
Myagmar Gombo	Driver/Messenger	Sep 12, 2011	
Gerelmaa Tumurbaatar	Accounting assistant	Oct 7, 2011	
Oyunbold Gansukh	IT manager	Oct 7, 2011	
Khishigjargal Purevsuren	Financial analyst	Oct 31, 2011	
Khangal Davaa	Financial markets specialist	Jan 3, 2012	
Amgalan Nordov	Regulatory reform manager	Jan 3, 2012	
Solongo Samdandovjid	Business environment and competitiveness specialist	Jul 16, 2012	
Davaakhuu Baatar	Translator/Interpreter	Jul 16, 2012	
Solongo Purevjav	Private sector development associate/Grants assistant	Sep 14, 2012	
Munkhjargal Demberel	Office manager	Sep 26, 2012	
Ariuntuya Ayurzana	Public private dialogue specialist (TPI)	Oct 5, 2012	
Khash-Erdene Battengel	Business Development Advisor (OSF)	Nov 19, 2012	

Exhibit A-2: Short-term technical assignments during the October – December 2012 quarter

Name	Purpose of assignment	Date of arrival	Date of departure
Jerry Henzel	Worked with GDT and the project to evaluate IT solutions to simplify paying taxes	Sep 15, 2012	Oct 9, 2012
Jim Riordan	Assisted in building a credible, impactful and sustainable supplier development program	Sep18, 2012	Oct 5, 2012
Paul Clark	Conducted a Time Release Study on the process of trading across borders	Sept 26, 2012	Nov 14, 2012
Olin McGill	Assisted the project to develop BEE reforms for tax and foreign trade	Oct 7, 2012	Oct 13, 2012
Olin McGill	Assisted working groups and the project to support BEE reforms for tax and construction	Nov 23, 2012	Dec 15, 2012
Barrie Evans	Supported the delivery of the quality assurance/HACCP/ISO training programs	Oct 1, 2012	Oct 11, 2012
Demir Yener	Returned to finalize the English version of the Corporate Governance Diagnostic Toolkit	Oct 13, 2012	Nov 14, 2012
Reinaldo Penner	Worked with the PIR 2 team to develop manuals for the supplier development program	Oct 21, 2012	Nov 14, 2012
Teimuraz Bolotashvili	Support the construction working groups, a Construction Law Specialist provided under the PMCG subcontract	Nov 6, 2012	Nov 27, 2012

ANNEX B: Performance indicators, baseline and targets for Annual Work Plan-2

PIR 1: Business enabling environment, governance, and country competitiveness policies and practices improved

KRA 1.1 Trade, paying taxes, getting new electricity connections and construction procedures simplified

1.1.1	Time and cost of clearing imports and exports reduced	Baseline Value	AWP-2 Target		Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	AWP-2 Results
1.1.1a	Number of documents required to export/import a shipment:	WB: 8 / 8	5 / 5	Target	n/a	n/a	n/a			
				Actual	n/a	n/a	n/a			
1.1.1b	Number of days required to export/import a shipment:	WB: 47 / 46	30.5 / 29.5	Target	n/a	n/a	n/a			
				Actual	n/a	n/a	n/a			
1.1.2	Burden of compliance with tax administration procedures reduced	Baseline Value	AWP-2 Target		Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	AWP-2 Results
1.1.2a	Number of payments per year:	WB: 41	27	Target	n/a	n/a	n/a			
				Actual	n/a	n/a	n/a			
1.1.2b	Number of hours per year required to comply with paying taxes:	WB: 192	135.5	Target	n/a	n/a	n/a			
				Actual	n/a	n/a	n/a			
1.1.3	Construction permits procedures streamlined	Baseline Value	AWP-2 Target		Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	AWP-2 Results
1.1.3a	Number of procedures to build a warehouse legally:	WB: 19	13	Target	n/a	n/a	n/a			
				Actual	n/a	n/a	n/a			
1.1.3b	Number of calendar days required to complete each procedure:	WB: 208	156	Target	n/a	n/a	n/a			
				Actual	n/a	n/a	n/a			

1.1.4	Getting new electricity connections processes simplified	<i>Baseline Value</i>	<i>AWP-2 Target</i>		<i>Apr-Jun</i>	<i>Jul-Sep</i>	<i>Oct-Dec</i>	<i>Jan-Mar</i>	<i>Apr-Jun</i>	AWP-2 Results
1.1.4a	Number of procedures to obtain an electricity connection:	WB: 8	5	Target	n/a	n/a	n/a			
				Actual	n/a	n/a	n/a			
1.1.4b	Number of calendar days required to complete each procedure:	WB: 156 days	116	Target	n/a	n/a	n/a			
				Actual	n/a	n/a	n/a			
1.1.5	Online company registration system established	<i>Baseline Value</i>	<i>AWP-2 Target</i>		<i>Apr-Jun</i>	<i>Jul-Sep</i>	<i>Oct-Dec</i>	<i>Jan-Mar</i>	<i>Apr-Jun</i>	AWP-2 Results
1.1.5a	Number of procedures to start a business:	WB: 7	4	Target	n/a	n/a	n/a			
				Actual	n/a	n/a	n/a			
1.1.5b	Number of calendar days required to complete each procedure:	WB: 13 days	5	Target	n/a	n/a	n/a			
				Actual	n/a	n/a	n/a			

KRA 1.2 Enabling legal and regulatory environment for trade, business, and finance strengthened

1.2.1	Trade legal and regulatory framework strengthened	<i>Baseline Value</i>	<i>AWP-2 Target</i>		<i>Apr-Jun</i>	<i>Jul-Sep</i>	<i>Oct-Dec</i>	<i>Jan-Mar</i>	<i>Apr-Jun</i>	AWP-2 Results
1.2.1a	Percentage of progress in facilitating Draft Customs Brokers Law:	30%	100%	Target	75%	75%	75%	100%		
				Actual	75%	75%	75%			
1.2.1b	Percentage of progress in facilitating start-up of customs brokers accreditation program:	0%	100%	Target	0%	0%	55%	100%		
				Actual	0%	0%	0%			

1.2.1c	Percentage of "green and yellow channel" shipments:	4%	30%	Target	4%	10%	15%	25%	30%	
				Actual	4%	12%	34%			
1.2.1d	Percentage of progress in facilitating Customs Time Release Study:	0	100%	Target	30%	55%	100%			
				Actual	30%	55%	100%			
1.2.1e	Person/days of training on trade facilitation delivered:	0	70	Target	0	15	30	15	10	
				Actual	7	14	60			
1.2.2	Non-banking financial products developed and/or enabled	Baseline Value	AWP-2 Target		Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	AWP-2 Results
1.2.2a	Number of non-banking financial products facilitated:	0	2	Target	0	0	1	0	1	
				Actual	0	0	1			
1.2.2b	Person/days of participation in BPI financial sector events:	165	60	Target	30	0	10	10	10	
				Actual	37	6	4			

BPI METRICS FOR LAWS & REGULATIONS (Contractor's manageable interest): Concept paper 10% | Working draft 20% | Technical review 25% | Public dialogue 20% | Draft hand-over 25%

PERFORMANCE METRICS FOR LAWS AND REGULATIONS: MoJHA clearance | Cabinet approval | Parliament Standing Committee clearance | Inclusion in Parliament agenda | Parliament approval.

KRA 1.3 Enabling legal and regulatory environment to protect investors, enforce contracts, and resolve insolvencies strengthened

		Baseline Value	AWP-2 Target		Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	AWP-2 Results
1.3.1	Percentage of progress in facilitating draft Bankruptcy Law:	55%	55%	Target	55%					
				Actual	55%					

1.3.2	Percentage of progress in facilitating draft Investment Funds Law:	55%	100%	Target	75%	100%			
				Actual	75%	100%			
1.3.3	Percentage of progress in facilitating draft Custodian Law:	55%	55%	Target	55%				
				Actual	55%				
1.3.4	Person/days of training delivered to FRC:	18	43	Target	43	0	0	0	0
				Actual	43	0	0		
1.3.5	Percentage of progress in facilitating draft regulations for Driver's Liability Insurance:	55%	100%	Target	80%	100%			
				Actual	80%	100%			

BPI METRICS FOR LAWS & REGULATIONS (Contractor's manageable interest): Concept paper 10% | Working draft 20% | Technical review 25% | Public dialogue 20% | Draft hand-over 25%.

PERFORMANCE METRICS FOR LAWS AND REGULATIONS: MoJHA clearance| Cabinet approval | Parliament Standing Committee clearance | Inclusion in Parliament agenda | Parliament approval.

PIR 2: Private sector capacity and competitiveness strengthened

KRA 2.1 Capacity of Mongolian private sector firms to sell products and services meeting buyers' and market demand strengthened

2.1.1	Buyer-supplier transactions facilitated	Baseline Value	AWP-2 Target		Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	AWP-2 Results
2.1.1a	Number of products/services with buyer's specifications:	n/a	40	Target	n/a	n/a	5	15	20	
				Actual	n/a	n/a	8			
2.1.1b	Number of feasibility of supply analyses completed:	n/a	40	Target	n/a	n/a	5	15	20	
				Actual	n/a	n/a	1			
2.1.1c	Number of due diligence conducted on suppliers:	n/a.	25	Target	n/a	n/a	2	8	15	
				Actual	n/a	n/a	1			
2.1.1d	Number of purchase intent negotiated:	n/a	15	Target	n/a	n/a	1	5	9	
				Actual	n/a	n/a	0			
2.1.1e	Number of TAF contracts to assist potential suppliers:	n/a	14	Target	n/a	n/a	1	4	9	
				Actual	n/a	n/a	0			
2.1.1f	Number of purchase orders fulfilled:	n/a	12	Target	n/a	n/a	0	2	10	
				Actual	n/a	n/a	0			
2.1.1g	Number of transactions facilitated:	n/a	10	Target	n/a	n/a	0	3	7	
				Actual	n/a	n/a	0			
2.1.1h	Value of transactions facilitated (MNT million):	n/a	500	Target	n/a	n/a	0	100	400	
				Actual	n/a	n/a	0			
2.1.2	Establishment of Quality Supplier Development Center (QSDC)	Baseline Value	AWP-2 Target		Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	AWP-2 Results
2.1.2	Percentage of progress in facilitation of QSDC:	0%	100%	Target	10%	30%	55%	100%		
				Actual	10%	10%	75%			

BPI METRICS FOR PROGRESS IN FACILITATION OF MSDC: Concept paper 10% | Working group established 20% | Stakeholders forum to proceed 25% | Business model, business and operations plan negotiated 20% | MSDC registered 25%.

KRA 2.2 Capacity of private sector-led institutions to contribute to an enabling business environment, governance, and country competitiveness strengthened

2.2.2	"Emerging" institutions established	<i>Baseline Value</i>	<i>AWP-2 Target</i>		<i>Apr-Jun</i>	<i>Jul-Sep</i>	<i>Oct-Dec</i>	<i>Jan-Mar</i>	<i>Apr-Jun</i>	AWP-2 Results
2.2.2	Number of new or "emerging" institutions facilitated:	0	2	Target	0	0	1	0	1	
				Actual	0	0	1			
2.2.3	"Selected partner organizations" capacity strengthened	<i>Baseline Value</i>	<i>AWP-2 Target</i>		<i>Apr-Jun</i>	<i>Jul-Sep</i>	<i>Oct-Dec</i>	<i>Jan-Mar</i>	<i>Apr-Jun</i>	AWP-2 Results
2.2.3	Number of cost-sharing agreements and/or subcontracts with local partner institutions to work on BEE issues:	1	5	Target	0	1	2	1	1	
				Actual	0	2	3			
2.2.4	Number of institutional strengthening toolkits developed for local partners:	<i>Baseline Value</i>	<i>AWP-2 Target</i>		<i>Apr-Jun</i>	<i>Jul-Sep</i>	<i>Oct-Dec</i>	<i>Jan-Mar</i>	<i>Apr-Jun</i>	AWP-2 Results
2.2.4a	Number of institutional and corporate governance strengthening toolkits developed for local partners:	0	3	Target	1	1	1			
				Actual	1	1	0			
2.2.4b	Number of person/days of training delivered on the tool kits:	0	75	Target	5	60	10	0	0	
				Actual	5	64	11			

PIR 3: National private sector driven and supported dialogue on business enabling environment, governance, and competitiveness strengthened

KRA 3.1 Increased public awareness of country competitiveness and governance issues, business enabling environment reforms, international experiences, and best practices

3.1	Increased public awareness of BEE and competitiveness issues	<i>Baseline Value</i>	<i>AWP-2 Target</i>		<i>Apr-Jun</i>	<i>Jul-Sep</i>	<i>Oct-Dec</i>	<i>Jan-Mar</i>	<i>Apr-Jun</i>	AWP-2 Results
3.1.1	<i>Number of public events held on BEE or competitiveness issues:</i>	36	65	<i>Target</i>	15	15	10	15	10	
				<i>Actual</i>	17	12	6			
3.1.2	<i>Number of person/days of attendance at public events:</i>	751	1,250	<i>Target</i>	350	300	200	200	200	
				<i>Actual</i>	380	184	271			
3.1.3	<i>Number of workshops held for journalists:</i>	14	20	<i>Target</i>	4	4	4	4	4	
				<i>Actual</i>	5	2	6			